



March 4, 2024

George Stokus
 Assistant County Administrator
 [via email]

Reference: Business Development Board contract with Martin County
 Proposed Calculation of Paragraph 6.a. and Request for Payment

Dear Mr. Stokus:

During the recent Business Development Board meetings, staff presented an analysis of the Contract Reserve Amount requirements of Paragraph 6.a. of the Contract between the BDB and Martin County. The goal of the analysis is to provide a calculation formula agreeable to both parties that is consistent with the terms of the contract. To this end, BDB is proposing the following formula:

CONTRACT RESERVE AMOUNT FORMULA			
			CASH @12/31/23
A.	CASH BALANCE AS OF PRIOR QUARTER		\$ 328,057
B.	APPROVED BUDGET FOR FISCAL YEAR		\$ 724,600
C.	CONTRACT RESERVE AMOUNT		
	LINE B X 25% [90 DAYS]		\$ 181,150
D.	OPERATING CASH		
	LINE B X 12.5% [45 DAYS]		\$ 90,575
E.	AVAILABLE FOR PROJECTS		
	LINE A MINUS LINES C & D		\$ 56,332

The BDB acknowledges that the amount of actual cash on hand [Line A] is greater than the cash reserve amount specified in the contract [Line C]. The BDB is proposing that the formula must also include an amount for what may be called "Operating Cash." Without going into a lengthy justification, it is important to note that the Contract is essentially a reimbursement contract since the payments occur up to 45 days after expenses are incurred for the quarter, and after a report of quarterly cash flows and activities is provided [per Paragraph 5.b. of the Contract].

The BDB desires to reach agreement on the calculation formula and has authorized me to forward this letter. It is our understanding, based upon our ongoing conversations, that this formula is an acceptable approach. The BDB will submit separately a proposed use of the monies Available for Projects.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "DD Hudson". The signature is fluid and cursive, with the first two letters "DD" being particularly prominent.

Dan Hudson
Interim Executive Director